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RCEA Comments Draft Strategic Plan

Additional submitted attachment is included below.

REDWOOD COAST Energy Authority

Humboldt County • Arcata • Blue Lake • Eureka • Ferndale • Fortuna • Rio Dell • Trinidad • Humboldt Bay Municipal Water District

Comments on Draft AB 525 Strategic Plan

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Background on Redwood Coast Energy Authority and Summary of Comments

Redwood Coast Energy Authority (RCEA) is a Community Choice Aggregator (CCA) based in Humboldt County. We are a Joint Powers Authority (JPA) founded in 2003 whose members include the Blue Lake Rancheria, the Yurok Tribe, the County of Humboldt, the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad, and the Humboldt Bay Municipal Water District. RCEA's mission is to develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient, and renewable resources available in the region for the benefit of the member agencies and their constituents.

RCEA supports the development of offshore wind (OSW) in the North Coast region, and the work done on the implementation of AB 525 thus far. RCEA is thankful for the opportunity to comment on the Draft AB 525 Strategic Plan and for the CEC's extension of the comment window.

As a show of support for OSW in the North Coast, RCEA has been including OSW procurement in our Integrated Resource Plan (IRP) to the California Public Utilities Commission (CPUC) for the last two cycles. Procurement of North Coast OSW aligns with RCEA's strategic goal to build a diverse portfolio of 100% local renewable energy for our CCA customers. We have also been actively participating in local stakeholder groups working on initiatives related to offshore wind.

RCEA's comments generally are:

- The Strategic Plan should incorporate clear timelines and respective lead agencies.
- Workforce development and capacity building for local government requires greater emphasis.
- Offshore wind and related infrastructure provide an opportunity to correct energy infrastructure constraints and inequities on the North Coast.
- The Strategic Plan should better coordinate the planning and development of offshore wind transmission infrastructure with other large energy projects.
- The potential impacts of procurement and transmission costs of offshore wind are not adequately addressed while Californian's struggle with energy affordability.

The Strategic Plan Should Incorporate Clear Timelines and Respective Lead Agencies

The Draft Strategic Plan presents a compelling vision, with promising concepts for the effective development and deployment of offshore wind across the state. To capture the innovative ideas into actionable next steps, an additional layer of specificity that clearly defines the responsibilities of respective agencies, along with established timelines for the execution of tasks, is crucial. Moreover, the Strategic Plan can also serve as a guide for interagency coordination and community engagement in establishing the offshore wind industry. The additional specificities can provide the clarity and accountability necessary for successful collaboration.

The Strategic Plan's recommendations should provide greater clarity on process and commit to ensuring procedural justice for host communities facing direct project impacts, with a focus on Tribal Nations and communities facing energy injustice. Each recommendation should include responsible state agencies, and opportunities for further collaboration, coordination, leadership, decision making, and engagement with relevant state agencies, local governments, Tribal Nations, constituencies of interest, and federal partners.

Workforce Development and Capacity Building Requires Greater Emphasis

The CEC's consideration of workforce development in the North Coast lacks an emphasis on the necessary capacity building for local governments in host communities that are aiding in the development of offshore wind.

This project requires an early push from local governments in host communities to get community buy-in. Due to the scale of the project, this work benefits not only local communities, but also, the entire state. This has, and will continue to require, significant capacity building, and government entities in host communities have already begun training, staffing up, and expanding internal efforts related to offshore wind.

It is necessary for the state to further consider how to empower and fund these local efforts for offshore wind to be successful.

Offshore Wind and Related Infrastructure Provide an Opportunity to Correct Energy Infrastructure Constraints and Inequities on the North Coast

We appreciate the Strategic Plan's recognition that the North Coast's transmission system is limited and relatively separate from California's major transmission networks that run north and south. We agree with the recommendations outlined in the Strategic Plan relating to large investments needed for new or existing electrical infrastructure to deliver electricity across the state and to local communities.

Electrical infrastructure capacity in the region is strained and underdeveloped, particularly in more rural parts of the region, reinforcing the socioeconomic gaps faced by rural communities and Tribal Nations. Parts of the region consistently lose power due to natural disasters, extreme weather, and public safety power shutoffs (PSPS), particularly those on transmission spurs, located at the remote end of the existing electrical grid, which imposes challenges on energy access and reliability. In addition, the region's power infrastructure now faces additional risks from the increasing frequency and intensity of extreme weather events caused or exacerbated by climate change.

As the region becomes a central component to the offshore wind industry and a net-energy exporter, the North Coast has an opportunity to correct energy infrastructure constraints and inequities.

We suggest that the Strategic Plan include greater consideration for equity in resource planning, siting OSW transmission and distribution infrastructure to allow local access to this new power source, and planning OSW transmission and distribution infrastructure to allow for the interconnection of new loads, storage, and other renewable resources such as small hydro and solar.

Equity in Resource Planning

There must be early, meaningful, and frequent local rural, low income, and Tribal engagement to guide how this development is designed, planned, and deployed.

Local communities are more likely to benefit, and conflicts may be mitigated with greater coordination on transmission projects between developers, utilities, Tribal Nations, and local, state and federal agencies in planning processes, particularly to ensure "dig once" execution, expanding existing transmission right of ways, and sharing a common analysis and understanding of economic and social costs and potential benefits of transmission build outs.

While we appreciate the CEC's leadership in this effort, it is likely that many rural, low income, and Tribal communities would not be able to participate in a new regulatory process given capacity constraints and other barriers. Regulatory processes relating to siting, permitting, planning, and development must start with Tribal Nations, who have fundamental rights as sovereigns, and local communities. They should have the information and resources they need to be able to meaningfully participate and be a part of the regulatory and decision-making process.

It also must be noted that transmission developer selection has been based on technical capability alone. For this project to proceed in the most equitable way, we recommend that developer selection criteria include a proven history of community development, engagement, and Tribal relations, or that the developer forms a consortium with partners who have these strengths.

Siting OSW Transmission and Distribution Infrastructure to Allow Local Access

We cannot decarbonize our grid without renewable energy access. This can be achieved through holistic upgrades to the transmission grid, in which the state would seek to maximize benefits from OSW grid infrastructure in or near Disadvantaged Communities, outlying communities on spurs or poor reliability circuits, and areas of Affordability Concern.

The scenario that most aligned with this prioritization is Alternative 7.2b. This is reflected by two key projects: a 500 kilovolt (kV) transmission line from Humboldt to Fern Road, and a high-voltage direct current (HVDC) line from Humboldt to Collinsville. This is aligned with the California Independent System Operator's (ISO) recommendation in its 2023-2024 Draft Transmission Plan.[1]

However, for many rural and Tribal regions, it may be structurally and financially difficult for them to be directly served by offshore wind generated electricity due to terrain and other complexities. Including complementary renewable infrastructure solutions, such as microgrids and battery storage, as part of the transmission planning process is critical to a just transition and in alignment with the CEC's Tribal energy sovereignty resolution.[2]

As part of the planning process and to ensure host communities experience benefits, the Strategic Plan should analyze and discuss potential opportunities for energy revenue sharing with host communities and Tribal Nations. This could include direct funding to Tribes and local communities, investments in local infrastructure from annual revenue generated, and reduced rates for local ratepayers.

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[1] California Independent System Operator (ISO). *April 2024. Draft 2023-2024 Transmission Plan*. https://www.caiso.com/InitiativeDocuments/DRAFT_2023-2024_TransmissionPlan.pdf

[2] California Energy Commission (2023). *Resolution Committing to Support California Tribal Energy Sovereignty.*

In addition, to maximize the potential benefits from offshore wind development, the CEC must include distribution system planning in its Strategic Plan. In the North Coast, many communities lack electricity access, broadband, and other necessities that may impact quality of life; many more have inadequate distribution system infrastructure, and therefore face outages during extreme weather events. Distribution system planning must also be considered in tandem with distributed energy resources, such as local solar, storage, and microgrids to minimize costly local grid upgrades and foster localized community benefits. Without distribution system planning for the Redwood Region and its local communities, there is a high risk that the offshore wind generation will leave the region through the transmission system, ultimately maximizing benefits for the bulk system rather than the people most impacted by the development.

Planning OSW Transmission and Distribution Infrastructure to Allow for the Interconnection of New Loads, Small Hydro, Solar, Storage, and Other Renewables

Offshore wind and transmission deployment must be designed and sited intentionally to enhance energy resilience, reliability, affordability, and access; provide for the infrastructure necessary to support the incoming economic development through new loads (e.g. vehicle charging, essential services, data centers) and the development of local clean energy resource interconnection (e.g, microgrids, solar, storage technologies) to enable communities to affordably meet their energy needs through local generation.

The Strategic Plan Should Better Coordinate the Planning and Development of Offshore Wind Transmission Infrastructure with Other Large Energy Projects

In order to ensure a least regrets planning scenario, we encourage the state to assess how OSW transmission could be developed in conjunction with other large largescale renewables, such as the Sonoma Geothermal Opportunity Zone, which represents a potential 600 MW of new renewable base load power.[3]

Additional consideration and study should be given to connecting the transmission network between Southern Oregon and the North Coast. In many of the Alternatives, there are few transmission projects being considered to provide greater connectivity between Southern Oregon and the Redwood Region. Moreover, the few examples that do, such as Alternatives 12.4b and 25.8a, connect Simi Valley with Del Norte and deliver power to the corridor between Humboldt and Fern Road. In addition to these projects in both Alternatives, we would suggest further consideration and study for other projects and would urge the ISO to collaborate with PacificCorp. An alternative to be considered and studied could be an on-land transmission project between Humboldt and Del Norte, with particular attention to increasing electrical capacity of regions along the route, which could spur potential collaboration with local

[3] Sonoma Clean Power. *About the GeoZone*. GeoZone | Sonoma Clean Power

communities and Tribal Nations that reside between both areas and face challenges relating to resilience, reliability, and access.

The Potential Impacts of Procurement and Transmission Costs of Offshore Wind Are Not Adequately Addressed While Californians Struggle with Energy Affordability

Californians are struggling to afford energy costs, with 21% of Investor-Owned Utility (IOU) customers in arrears on their electricity bill and energy rates grossly outpacing inflation.[4]

The majority of Humboldt County, as a low-income area compared to rest of state, is classified as an Electric Area of Affordability Concern.[5] It is imperative that as part of the planning process, residents in the region have not only the infrastructure needed to physically access renewable energy, but also that this power is affordable for them to access.

If done correctly, the development of transmission for OSW in the North Coast presents an opportunity to deliver more affordable and reliable energy to our most economically challenged residents and businesses.

[4] Public Advocates Office. *March 6, 2024. Affordability Concerns in the Electric Sector, Assembly Energy Affordability Hearing.* Affordability Concerns in the Electric Sector PowerPoint Presentation (ca.gov)

[5] California Public Utilities Commission. *October 2023. 2021/2022 Annual Affordability Report.* 2021-and-2022-annual-affordability-report.pdf (ca.gov)